

**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

WATER DIVISION

RESOLUTION W-4596

April 27, 2006

**R E S O L U T I O N**

**(RES. W-4596), THE SEA RANCH WATER COMPANY, (Sea Ranch).  
ORDER AUTHORIZING RATE BASE OFFSET REVENUE INCREASE  
OF \$8,084 OR 1.03%.**

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**SUMMARY**

By Advice Letter No. 70 filed March 10, 2006 and supplemented on March 23, 2006 by Advice Letter 70-A, Sea Ranch seeks to increase rates by \$8,084 or 1.03% to recover the amount resulting from an increase in rate base. The increase will not result in a rate of margin greater than last authorized for Sea Ranch.

**BACKGROUND**

Sea Ranch is a Class C water utility currently providing water service to approximately 2,042 customers in the area known as Sea Ranch, and vicinity, located approximately 7 miles southeast of Gualala, Sonoma County.

Sea Ranch requests authority under Section VI of General Order No. 96-A and Section 454 of the Public Utilities Code to increase rates to offset the cost associated with capital improvements put into service in 2005. In 2005, Sea Ranch added a pipe locator (\$5,391), SCADA (control system) (\$6,528), meters (\$10,267), valve exerciser (\$44,966), and pumping equipment (\$1,739) for a total of \$62,519 after depreciation. This translates into an annual requirement for all projects of \$8,084 or 1.03%.

Sea Ranch's present rates became effective on February 24, 2006, pursuant to Decision 92-09-093 that authorized a Consumer Price Index – Urban rate increase producing an increase in annual revenue of around \$26,727 or 3.4%.

**NOTICE AND PROTESTS**

Sea Ranch noticed all of its customers by a special mailing. The affidavit of mailing was received by the Water Branch on March 10, 2006. One protest was received and responded to by the staff.

## **DISCUSSION**

Sea Ranch completed these projects in 2005. The Branch has reviewed the invoices and found them reasonable. The revenue requirement for these projects is \$8,084 or a 1.03% increase.

Service by Sea Ranch is satisfactory. There are no Commission orders requiring neither system improvements nor are there any service problems requiring corrective actions. The utility has been filing annual reports as required.

Sea Ranch's current rate structure consists of one rate schedule, General Metered Service. The bill for an average residential customer using 33.37/100 gallons of water per bimonthly bill with a 5/8 x 3/4-inch meter will increase from \$54.30 to \$54.87 which is \$0.57 or 1.05%.

## **COMMENTS**

This is an uncontested matter in which the resolution grants the relief requested. Accordingly, pursuant to PU Code 311(g) (2), the otherwise applicable 30-day period for public review and comment is being waived.

## **FINDINGS**

1. Sea Ranch Water Company has completed rate base additions for 2005.
2. The rate base additions total \$62,519 after depreciation.
3. The Commission finds, after investigation by the Division, that the rate increase hereby authorized is justified, and the resulting rate increase is just and reasonable.
4. This is an uncontested matter subject to the public notice comment exclusion provided in PU Code Section 311 (g) (2).

## **THEREFORE IT IS ORDERED THAT:**

1. The Sea Ranch Water Company is authorized five days after the effective date herein, to make effective the revised rate Schedule No. 1, General Metered Service, attached to Advice Letter No. 70-A, and to concurrently cancel the presently effective rate schedule.

April 27, 2006

2. This resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on April 27, 2006; the following Commissioners voting favorably thereon:

/s/ STEVE LARSON

STEVE LARSON  
Executive Director

MICHAEL R. PEEVEY  
President

GEOFFREY F. BROWN

DIAN M. GRUENEICH

JOHN A. BOHN

RACHELLE B. CHONG  
Commissioners